

***BEYOND THE SUNSHINE POLICY: AN  
ARGUMENT IN FAVOR OF CONTINUED US  
MILITARY PRESENCE IN NORTHEAST ASIA***

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**INTRODUCTION**

It has become commonly accepted wisdom to call the Korean Peninsula “The last vestige of the Cold War.” The forces of democracy and capitalism remain arrayed against those of a Stalinist, totalitarian regime bent on uniting the peninsula under a communist system. Soldiers from both sides literally face off on the world’s most heavily fortified border. The fact the United States military remains deployed in South Korea to protect it from once again being overrun from the North is equally accepted wisdom. Although a true statement, it is hardly complete. The reality is far more complex.

Clearly the United States’ military presence in Korea serves to guarantee peace on the Korean peninsula, but that is only one facet of America’s military role in Northeast Asia. The region is a potential flashpoint among four of the world’s great powers; The United States, China, Russia and Japan. Possible rapprochement on the Korean peninsula could rekindle old animosities. In the words of Dr. Henry Kissenger,

if American troops were to leave the rim of Asia, an entirely new and, above all, political situation would arise all over the continent. Were this to happen, even a positive evolution on the Korean peninsula could lead to a quest for autonomous defense policies in Seoul and Tokyo and to a growth of nationalism in Japan, China and Korea.<sup>1</sup>

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Therefore, the question of the future of American military presence in Northeast Asia is one of the most critical questions facing American foreign policy makers today.

At the time, the Inter-Korean summit in June 2000 was hailed as a major breakthrough in inter-Korean relations, although its significance seems less clear as time passes. Nonetheless, the status quo is not stable, and planning for change should continue. The purpose of this paper is to draw a strategic picture of the political situation in Northeast Asia in light of the reconciliation efforts made between the two Koreas and to examine the rationale for the continued presence of US forces in the region. This paper will argue that, in a future environment of reconciliation or even reunification of the two Koreas, the nations in the region will have security concerns and interests that can only be met in a stable environment predicated on a sizable United States military presence in the region.

#### **SOUTH KOREA: AN OVERVIEW**

During the past fifty years, South Korea has matured as a democracy. Its current president Kim Dae Jung, elected in 1998, is a former political dissident, who was imprisoned by the South Korean government for protesting for democratic reform in the ROK. Today, there is no doubt that South Korea is a full-fledged democratic state.

From an economic standpoint, South Korea has also been a remarkable success. Touted as one of the “Asian Tigers,” the South Korean economy enjoyed tremendous growth in the 1970’s and 80’s. Currently, South Korea enjoys a GDP growth rate of ten percent and a per capita GDP of over \$13,000.<sup>2</sup> South Korea’s per capita GDP is thirteen times the size of the GDP of North

Korea and seven times that of India.<sup>3</sup> For a country only slightly larger than the state of Indiana, South Korea has the 13<sup>th</sup> largest GDP in the world.<sup>4</sup>

Despite this tremendous economic record, South Korea, like most of Asia was severely affected by the financial crisis of the mid 1990s. The “Asian Contagion” exposed significant weaknesses in the South Korean economic growth model. These limitations included extremely high debt to equity ratios and massive foreign borrowing.<sup>5</sup> Because of the IMF bailout, the ROK is in no danger of economic collapse, however, the ROK has not yet fully dealt with the structural problems that caused the economic crisis. Signs of economic weakness remain.<sup>6</sup> The recent downturn in US spending on information technology has led to the sharpest decline in Asian exports in twenty years.<sup>7</sup> The government’s failure to deal with economic reform will continue to retard Korean economic growth. The major Korean conglomerates (*chaebol*) still carry excessive debt, which could precipitate further economic problems in the near future.<sup>8</sup>

Nonetheless, the ROK’s economic growth over the past fifty years has been remarkable. South Korea has achieved this tremendous economic and political progress while maintaining its side of one of the world’s most heavily armed borders, the DMZ. Residents of Seoul have never been allowed to forget they live within range of North Korean artillery. The North Korean government has never foresworn reunification of the peninsula through violence. As a result, the ROK army remains ever vigilant in deterring potential North Korean aggression. Because of this clearly defined enemy, the South Korean military has never

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been viewed as a regional force. It is postured specifically to combat the North Korean military.

#### **NORTH KOREA: AN OVERVIEW**

North Korea, a notorious member of the “Axis of Evil,” is arguably the most closed and isolated state on the planet today. Its official ideology, “Juche,” means “self-reliance.” In the decade since the collapse of the Soviet Union, North Korea has proven that it is anything but self-reliant. North Korea’s economy has worsened considerably since the collapse of the Soviet Union. Except for 1999, the country has experienced negative economic growth every year since the fall of the USSR.<sup>9</sup> It has also experienced recurring famine. It is estimated that anywhere between one and three million North Koreans have starved to death in the last five years.<sup>10</sup> The DPRK runs an annual food deficit of two million tons.<sup>11</sup> At the end of the Cold War, North Korea lost its primary ally, and source of support, the Soviet Union. It has also lost the unconditional support of its other long-term ally, China. As a result, the DPRK is isolated in the international community.

Another serious crisis for North Korea after the Cold War was the death of its “Great Leader,” Kim Il Sung, in July 1994. Supreme power has transitioned from Kim Il Sung to his son, Kim Jong Il who is commonly referred to as “Dear Leader.” This transition has given North Korea the dubious honor of being the world’s only dynastic communist state. Although there were significant questions concerning Kim Jong Il’s ability to consolidate power in the wake of his father’s death, he seems to have done so. “Kim Jong Il appears to be well protected against a major coup. He has installed the brothers of his sister’s husband,

Chang Song Taek, in three of the most sensitive positions in the power structure.”<sup>12</sup> However, there are those who still question his true level of authority, believing he has not yet risen to his father’s god-like status.<sup>13</sup>

North Korea is an economic basket case. It cannot feed its own people even at the bare subsistence level. It needs international aid to prevent widespread famine.<sup>14</sup> Despite these horrifying economic conditions, the North Korean government has shown that it is willing to allow its population to starve in order to ensure regime survival. Despite continued widespread famine, North Korea recently purchased \$425 million worth of weapons from Russia.<sup>15</sup> In spite of famine and economic strangulation, the North Korean regime does not appear to be on the brink of collapse. At any rate, it has shown that it can teeter on the brink indefinitely.

Although not technologically sophisticated, the North Korean military is one of the largest in the world. North Korean rhetoric has softened over the years; however, Pyongyang has never formally renounced its intention to reunify the peninsula under communism. According to a South Korean Defense Department White Paper,

Despite the ROK government’s consistent engagement policy toward the North, North Korea, based on its “One Chosun” logic, continues to refuse inter-Korean peaceful coexistence and pursues the strategy of communizing the South. After forming a united front against the South and stepping up war preparations at home, the North seeks to communize the peninsula by means of a “violent revolution,” or “war by using force” when the crucial moment comes. A crucial moment is when a politically and militarily favorable atmosphere is created by social disorder in South Korea, the withdrawal of USFK, etc.<sup>16</sup>

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Although such threats may seem like nothing more than empty posturing, when coupled with the military capabilities of the DPRK they do give prudent observers pause. North Korea boasts the world's fifth-largest army, maintains a constant war footing along the demilitarized zone, and has been responsible for numerous attempts at aggression and infiltration since the armistice was signed.

In addition to its conventional capabilities, North Korea also has an arsenal of both biological and chemical weapons. There is also the strong possibility North Korea is a nuclear capable state. These capabilities have altered the North Korean threat. It is no longer possible for North Korea to successfully invade the South, but their missile technology and nuclear capabilities give them leverage nonetheless.

Over the past decade North Korea has become adept at exploiting this leverage in the international community. In exchange for "good" behavior after some calculatedly moderate "bad" act, North Korea has been repeatedly successful at extracting concessions such as food aid and removal of sanctions from the west. An example of this behavior is the 1998 Taepodong missile launch across the Sea of Japan. Professor Victor Cha, a noted Korean scholar, has explained the dangers of such a cycle.

From Pyongyang's perspective, the objective of such misbehavior is not to win some military advantage, but precisely to initiate a coercive bargaining process that eventuates in an outcome more favorable to the North. This is a dangerous and destabilizing strategy, but it is the sort of high stakes game that Pyongyang plays adeptly. What is more, it is rational, since the anticipated benefits of changing the status quo outweigh the risks and costs.<sup>17</sup>

The threat of North Korean aggression cannot be taken lightly. While the DPRK could not unify the peninsula by force, it certainly could set Northeast Asia's market economies back decades, whether as a result of a miscalculation that leads to a conventional conflict or through the use of WMD. In either case, the result would be the destruction of a large part of the economic capability of the region's economic infrastructure and the diversion of resources to prosecute the conflict and the following reconstruction.

### **THE BACKGROUND OF RECONCILIATION**

The June 2000 Summit is now the touchstone for discussion about the future of the peninsula. Indeed, the summit may have represented a true breakthrough in inter-Korean relations. What is less familiar to most is the long history of international negotiations culminating in the June 2000 summit in Pyongyang.

President Kim Dae Jung's now familiar "Sunshine Policy" is by no means the first overture made by the South to North Korea. In fact, there is a long history of inter-Korean dialogue. Since the 1970's the two Koreas have held secret meetings that have led to public breakthroughs.<sup>18</sup> The first of these secret meetings occurred when the United States and China began discussions to normalize their relations. Both Koreas worried about the implications for their security and began meeting in secret. This led to a joint statement agreeing to peaceful reunification in principle and public inter-Korean talks utilizing Red Cross representatives in 1972.<sup>19</sup> Since the early 1970s the two Koreas have used the Red Cross as an unofficial means of inter-Korean communication.

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In the past, many of these meetings have been frustrating endeavors for the South Korean government. Some have described the process of inter-Korean negotiations as nothing more than another form of competition between the two governments that can be best understood as a zero sum game.<sup>20</sup> Nonetheless, several additional agreements have been made between the two Koreas. The most notable of these is the 1992 “Agreement on Reconciliation, Non-aggression, Exchanges, and Cooperation,” more commonly known as “The Basic Agreement.” This agreement affirmed the desire for peaceful reconciliation and unification of the peninsula. It also determined to “avoid armed aggression and hostilities, reduce tension, and ensure peace.”<sup>21</sup> It was hoped that the implementation of the Basic Agreement would lead to measurable progress in inter-Korean relations, including visitation for separated families. However, the euphoria was short lived. By 1994 relations between the two Koreas were as strained as they had been since the signing of the armistice.

In 1994 the United States and South Korea became aware that the North Korean government was removing spent fuel rods from its nuclear reactor in Yongbyon. This caused significantly heightened tension, which some have said brought the peninsula to the brink of war. The standoff ended in October 1994, when North Korea signed the “Agreed Framework” and pledged to give up its quest for nuclear weaponry in exchange for fuel oil, the replacement of its nuclear reactors, and the gradual normalization of diplomatic relations with the United States.<sup>22</sup>

In addition to allowing North Korea to reaffirm its commitment to the NPT, the Agreed Framework created the organization known as KEDO (The Korean Peninsula Energy



Development Organization). KEDO's mission was to negotiate the construction of the light water reactors and fuel oil that had been decided upon in the Agreed Framework. Groundbreaking for the reactors occurred in 1997, and despite some hostile posturing on the part of the DPRK, KEDO provided a solid vehicle for inter-Korean dialogue.<sup>23</sup> Despite a frustrating record of reversals in inter-Korean negotiation, some tentative signs of willingness to negotiate on the part of the North Koreans were becoming visible by 1997, when the North Koreans agreed to participate in "Four Power Talks." The goal was to replace the currently existing state of war on the peninsula with a formal peace treaty. The participants in these talks included the United States, the two Koreas, and China. Despite some forward progress, there is no formal peace treaty.<sup>24</sup>

The June 2000 Summit was credited largely to the success of South Korean President Kim Dae Jung's "Sunshine Policy." This policy, articulated at President Kim's inauguration in 1998, represented a significant departure from previous administrations. It consists of three core principles. First, the ROK will not seek reunification through absorption of the North. Second, South Korea will not tolerate any provocation from the North, and finally, reconciliation will be pursued through expanded inter-Korean contacts and dialogue.<sup>25</sup>

The culmination of this policy was the June 2000 meeting in Pyongyang. Although some dismiss it as largely a ploy by both leaders to bolster their political power, many argue that it was a tremendous first step towards normalization of relations on the peninsula. Key among the points agreed upon at the summit was the promise by both sides to maintain dialogue. Kim Jong Il

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promised to meet in Seoul for a second summit by the end of this year. Other evidence indicating a real thaw in relations include the three sets of family reunions that have already occurred, plans to connect a rail line across the DMZ, and the acceleration in the pace of North-South Cultural exchanges.<sup>26</sup>

There is also a history of economic cooperation between the two Koreas that predates the June summit. In several instances the South has already succeeded in helping the North expand its economy. During the 1990s South Korea's trade with the North doubled to more than \$330 million, which has already had a positive impact on the North Korean economy. The South Korean government has also pledged to help the DPRK rebuild its now-defunct infrastructure.<sup>27</sup>

A project that must be mentioned in the context of inter-Korean economic cooperation is the Mount Kumgang tourism project. Undertaken by the Hyundai Corporation, it guaranteed North Korea \$942 million dollars in revenue through March 2005 in exchange for tourist cruises from South Korea to Mt. Kumgang in the North.<sup>28</sup> Although this was initially received with great optimism as a model for inter-Korean economic cooperation, the project has fallen on hard times. Currently Hyundai is in default to North Korea for over \$10 million in fees. Given that the South Korean government has refused to bail Hyundai out, it is likely the tours will be suspended.<sup>29</sup> "The ministry of unification, while acknowledging the importance of the tours, says the government will take a hands-off approach to Hyundai's financial woes."<sup>30</sup> Nonetheless, Korean conglomerates still look to North Korea for potential economic opportunity. Currently more than 200 South Korean companies have contracts with North Korean

manufacturers to produce such things as clothing and small electronics components and appliances.<sup>31</sup>

Despite tangible indications of a thaw in inter-Korean relations, there is still substantial reason to question the DPRK's motives. Recent events notwithstanding, the North Korean government remains an isolated totalitarian state whose leader enjoys a cult of personality that rises to the level of a secular religion. Despite some very optimistic signs, North Korea has so far shown little interest in any substantive political or economic reform.

The recent thaw in inter-Korean relations notwithstanding, the history between the two Koreas has produced considerable reason for the ROK to be suspicious of the North's intentions. From the North Korean attack on the Blue House in 1968, through the bombing of KAL 858, to the clandestine build up of nuclear weapons technology in the 1990's, there has been considerable evidence in favor of caution. When looking forward, the past must not be ignored.

#### **CURRENT STATUS OF RECONCILIATION EFFORTS**

The current dialogue between the two Koreas points to a sense of cautious optimism. Progress has been made that hopefully will lead to a peaceful reconciliation and reunification of the two Koreas. However, peaceful negotiation represents only one possible reunification scenario. North Korea is isolated and its economic situation remains desperate. Despite historic firsts, the possibility remains something could go wrong, either through deliberate action by one side or through miscalculation.

Because of the desperate economic situation in the DPRK, the North Korean regime has come to fear the possibility of

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absorption by the South. If absorbed, North Korea would simply cease to exist as a state, a scenario not unlike the reunification of East and West Germany. As part of his “Sunshine Policy,” South Korean President, Kim Dae Jung, has stated that, primarily for economic reasons, South Korea will not seek reunification through the absorption of the DPRK. However, the continuing economic woes and reluctance to reform make it impossible to ignore the North’s fear of reunification through collapse and absorption as impossible.

Another possible outcome is reunification through violence, i.e. a second Korean War. This is the scenario most familiar to the American public. It assumes that as a result of desperation or miscalculation, the North Korean government will attempt to reunify the peninsula by force. Although the likelihood of war on the peninsula is low, it remains a possibility. The DMZ is the world’s most heavily armed border, where over a million and half soldiers remained deployed, and heavily armed.

### **REGIONAL PERSPECTIVES**

The divided Korean Peninsula is a remnant of the Cold War. When discussing reunification, the argument centers on the timeline and the circumstances. It is an issue of when and how, not whether. Agreement that Korea should be reunified does not make the actual process any simpler however. Considering the history of violence between the two states, reconciliation would be difficult in a vacuum, never mind at the intersection of four of the world’s great powers. The reunification of Korea will have far-reaching economic and political repercussions, not just for Korea itself, but also for all of Northeast Asia. Understanding all of the implications of normalization of relations and, ultimately,

reunification, cannot be done without analyzing the perspectives of China, Japan, Russia, and the United States, the major powers in the region. In order to develop a full appreciation for the complexity of the situation, we must consider not only the interests of these states, but also what hurdles must be negotiated in order for each of them to accede to normalization of relations between the two Koreas.

### **China**

In 2001 China announced its decision to increase defense spending by 17.7%. This was the largest increase in more than twenty years. China explained that it was responding to significant changes in the world's political situation, specifically "that the United States is now China's main threat and a roadblock on the path to regional supremacy."<sup>32</sup> This spending increase will bring China's defense budget very close to the level of Japan and higher than that of South Korea.<sup>33</sup>

China is modernizing its military by acquiring new weapons systems, restructuring forces, and improving training. Much of China's new military equipment has been purchased from Russia at bargain prices because of Russia's lack of hard currency. China's modernization is driven by several factors, including lessons learned from the Gulf War, the need to protect its vital economic interests and territory, the need to maintain internal stability, and a desire to be the leading power in Asia.<sup>34</sup>

Regionally, China has territorial disputes with many countries. "The most prominent examples are China's claim to the South China Sea and its resolve to use force if Taiwan declares independence from the mainland."<sup>35</sup> Several US and Asian policymakers and scholars believe that China's military capability

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increases, so does regional anxiety about its intentions. At present, many Asians believe that China's threat is limited, but they are concerned that China will eventually have military capability to challenge them in contested areas.<sup>36</sup> "Tempering the potential for aggression is China's economic development, which relies heavily on foreign investment and trade."<sup>37</sup> Furthermore, many of China's neighbors, like South Korea and Japan are also modernizing their militaries, and at a faster pace than China.

China is a nuclear power. Its nuclear force is small, relatively primitive, and vulnerable—far smaller than those of the U.S. or Russia and much less sophisticated.<sup>38</sup> But China is expanding and modernizing its nuclear arsenal, possibly with Russian assistance, and it is not constrained in its nuclear modernization efforts by any arms control agreements such as those (SALT, START, etc.) governing Russia and the United States.<sup>39</sup> Beijing's assessment of its nuclear force requirements may be driven by such factors as the India-Pakistan dispute, problems with Taiwan, or stability on the Korean peninsula.<sup>40</sup>

Beijing's assessment is also being driven by United States plans to deploy a missile defense system, which they regard as a threat to their security. "Many Chinese insist that the NMD is aimed at China, despite US statements saying that it is directed at rogue states, such as North Korea and Iraq."<sup>41</sup> Of course, China's modernization efforts may well stimulate a nuclear modernization race among neighboring countries, including Russia, India, Japan and a unified Korea.

### **China and Korean Reunification**

Most American policymakers believe that the reunification process will be lengthy and gradual, and that reunification on

Seoul's terms is the desirable final objective. Beijing's objectives are slightly different. Publicly, it welcomes reunification, provided that the resulting Korean state is not anti-Chinese. But Beijing does not want Pyongyang to undergo a full-scale conversion to capitalism, and it may not be happy to see the peninsula reunified under Seoul's leadership, especially if US forces thereby have access to China's southern border.<sup>42</sup> China accepts a US-South Korean alliance in a divided Korea, but a unified Korea with a continued Korean-American military alliance would be undesirable.<sup>43</sup>

In order for China to support Korean normalization of relations (NOR), the United States and the two Koreas need to include China in the process. Kim Jong Il has made recent trips to Shanghai, possibly to study China's economic processes.<sup>44</sup> If North Korea were to begin the process of economic reform, allowing China an active role in that reform, it might serve to assuage China's unease. Another way to include China in the process of reconciliation is to resume four-party peace talks to among the United States, the two Koreas and China to officially end the state of war on the peninsula. This will give China another opportunity for a voice in the process of reconciliation.

The desperate economic situation in North Korea is already beginning to impact China. The famine in North Korea has created a growing refugee problem in China. According to recent reports, there are over 300,000 North Koreans currently hiding out in China. This number represents over one percent of the DPRK's population.<sup>45</sup> These refugees left North Korea in search of food and now cannot return for the certainty they will face criminal charges if they do.<sup>46</sup>

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Beyond the appalling humanitarian crisis, the refugee issue also has broader implications for regional stability. The area of China experiencing the refugee influx has a Korean minority population of over 2 million. It also has an unemployment rate of over 40%.<sup>47</sup> The continued influx of refugees into Northeast China is potentially destabilizing to the Chinese government.

China's interests coincide with those of the United States and South Korea insofar as all concerned prefer a stable status quo to the uncertain outcome of eventual reunification.<sup>48</sup> Both the US and the ROK want Korea to be reunified as democratic, free market economy. If this occurs, China will no longer have North Korea to act as a buffer. In order to accede to NOR and reunification under these conditions, China must have confidence that a reunified Korea will not be an enemy of China. Although this will be problematic, the best alternative is to ensure that China is included in the reunification process through four-party talks, humanitarian assistance missions, and economic investment into North Korea and eventually, the new Korean state.

### **Japan**

Currently, the Japanese navy projects the most power in the region. Japanese military policy is restricted by the nation's American dictated constitution. Under Article Nine of that constitution, the Japanese people forever renounce war or the threat of force.<sup>49</sup> But Japanese constitutional restraint is fading as the United States encourages Japan to take on more of the security burden in the region. Potential new conflicts with China, and North Korea, and others have led many Japanese to call for a reinterpretation of the Constitution or an amendment giving Japanese armed forces greater freedom.<sup>50</sup>



For all of its constitutional restrictions and historical sentiments, Japan has built its self-defense forces into one of the most powerful Armies in Asia. Its annual military budget, of \$45 billion is the second largest in the world after that of the United States. The size of the forces and the sophistication of its weaponry are roughly equivalent to those of Great Britain, which has an annual defense budget of about \$33 billion. Japan has about 236,000 military personnel compared to Britain's 220,000.<sup>51</sup>

### **Japan and Korean Reunification**

Improved political and military relations between Japan and South Korea—now arguably the best they have been since normalization of relations in 1965—have mostly been based on the continued viability and hostility of the North Korean regime. Absent a hostile North Korea, the question arises: “Will inter-Korean détente necessarily mean a rise in anti-Japanese sentiment potentially destructive to the painstaking efforts to put these colonial ghosts to bed?”<sup>52</sup>

Memories are long in both North and South Korea. Japanese troops occupied South Korea from 1910 to 1945, setting up a brutal occupation government. During the last phase of colonization, from 1938-1945, all Koreans were forced to take Japanese names, the Korean flag was banned, and the schoolchildren were taught exclusively in Japanese. It is common today for Koreans in their sixties and seventies to know Japanese but refuse to speak it out of distaste for their former colonial rulers.<sup>53</sup> South of Seoul is a museum dedicated to memorializing the hardships of Japanese rule. In the port of Chinhae, South Korean naval cadets study in the shadow of a museum devoted to the Korean Admiral Yi, who in the late 1500's fought off repeated attempts by the Japanese warlord Hideyoshi Toyotomi.<sup>54</sup>

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Recently friendly relations between the two countries have been threatened over the issue of Japanese junior high school history texts. Many Koreans believe these texts “white wash Japanese atrocities during its colonial rule of the Korean peninsula from 1910-1945.”<sup>55</sup> Specifically, Koreans are upset that these texts omit references to comfort women and cite the Japanese colonization of Korea as “a favor to Korean development because Japanese built infrastructure such as railways.”<sup>56</sup> The South Korean government requested that 35 passages in the texts be amended. Japan has refused to comply stating that the texts were reviewed by an unbiased committee.<sup>57</sup> South Korea responded by canceling a joint ROK-Japanese military exercise in a gesture of protest.<sup>58</sup> The full impact of the flap over these texts remains to be seen, but it could lead to significant backtracking in ROK-Japanese relations.

The future course of Japanese-Korean bilateral relations is uncertain. There are those who argue Korean NOR will reignite Korean nationalism directed against Japan. Others contend mutual concerns over Chinese intentions will lead to rapprochement and a weakening of anti-Japanese sentiments in Korea.<sup>59</sup>

Regardless, a reunified Korea could have serious financial implications for Japan. The resolution of North Korea’s post-colonial claims against Japan could be the single largest source of funding to rebuild the North Korean economy.<sup>60</sup> Japan paid South Korea \$800 million in compensation for colonial and wartime activities upon normalization of relations in 1965.<sup>61</sup> North Korea will expect similar compensation. Adjusting the South Korean payment for differences in population, accrued interest, inflation,

and appreciation of the yen since 1965 gives a figure of \$20 billion. The claims of “comfort women” who were pressed into sexual slavery in during World War II may add another \$5-8 billion.<sup>62</sup>

Japan is hardly in a position to pay claims this large, given its current economic situation. “Japan’s stumbling economy is teetering on the brink of a deeper crisis as falling prices eat into corporate profits and with Japan’s jobless rate standing at a postwar record.”<sup>63</sup> The Japanese stock market has fallen to a 15 year low, prompting the Japanese Finance Minister to state “The nation’s finances are near collapse.”<sup>64</sup>

Korean NOR makes Japan nervous on several levels. First, Japan needs to be assured that a reunified Korea will not be hostile to Japan. In order to build confidence on this point, the United States, South Korea, and Japan need to continue using the Trilateral Coordination and Oversight Group (TCOG) to maintain dialogue. Japan should be reassured that its present cordial relations with South Korea will not deteriorate as a consequence of Korean NOR.

Second, Japan needs reassurance from the United States. The United States regards the US-Japan alliance as the “anchor” for US presence in Northeast Asia.<sup>65</sup> The United States must ensure Japan understands America’s commitment to the US-Japan security alliance is not in question.

Third, Japan will need time to repay its debt to North Korea upon normalization of relations. If Japan can structure its repayment over time, in conjunction with aid to North Korea from the IMF and the World Bank, then Japan could meet this financial burden without crippling its own economy.

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Normalization of relations with North Korea will inevitably affect Japan's relations with China as well.

Japan's relations with China will also be affected by reunification. An antagonistic North Korea has enabled Japan to justify a number of security initiatives, such as enhanced military relations with the United States and the exploratory development of a missile-defense System. Even absent a hostile North Korea, Japan will wish to continue these security initiatives, which will then be seen as what they really are: means to protect Japan from China's military modernization program.<sup>66</sup>

### **Russia**

"Russia's basic policy toward Northeast Asia is to create an environment in which it can exercise its influence over the region."<sup>67</sup> This means helping establish lasting peace and stability on the peninsula and supporting direct talks between the two Koreas. "In line with such policies, Russia supports the peaceful coexistence of the two Koreas, exchanges and cooperation between the two, and denuclearization and arms reduction throughout the entire peninsula."<sup>68</sup>

Although Russia would like to be a player in Northeast Asia, the Putin regime has little to offer. Russia's economy is in trouble and its military power is in decline. Russia inherited 60 percent of the Soviet Union's GDP, which has since declined by more than 40 percent.<sup>69</sup> In the wake of the 1998 financial crisis, predictions of slight economic growth since 1999 have given way to forecasts of further contraction, perhaps negative 2 to 4 percent.<sup>70</sup> Inadequate economic infrastructure, declining production, and crime are among the most troubling problems.<sup>71</sup> The downturn in the Russian economy during the 1990s struck the Russian Far East particularly hard. Output in this region was lower than for the

country as a whole<sup>72</sup>: its share of the country's economic output fell from 5 percent in 1991 to 3.8 percent in 1995.<sup>73</sup>

Russia's military is also in trouble. "The Kursk submarine tragedy, followed by Russia's inability to launch a rescue mission at sea, is but one example of a defense establishment in steep decline. Ground and air units lack regular training, basic maintenance, housing, and social support for their personnel."<sup>74</sup>

Russia's military technical abilities have become increasingly outdated, and are repaired only in a most provisional way. Whole swaths of equipment, which exist only paper, have already either been shut down for a long time or sold off by corrupt officers for their personal enrichment. Thus it proved impossible to find divers in the entire Russian fleet, or the whole country, who could have dived down to the Kursk. When the army leadership steals and is corrupt, the majority of ordinary soldiers and sailors see no sense in their service and are completely demoralized.<sup>75</sup>

Military problems are even more severe in the Russian Far East. Just weeks after a major military exercise in the European Theater, Russian nuclear forces in the east had their power supply terminated because they had not paid their utility bill.<sup>76</sup> The military industrial complex in the region is also in serious trouble. "The end of the Soviet Union meant a decline in military production enterprises, and the cities in Siberia and the Far East that relied upon them."<sup>77</sup>

Moscow understands that the Russian Far East will be economically weak and militarily deficient for some time and worries that this resource-rich region could come under the sway of an increasingly powerful China.<sup>78</sup> "The issue is often discussed in purely demographic terms, with a declining population of seven million Russians in the area contrasted with one hundred million or more Chinese just across the border."<sup>79</sup> Moscow recognizes

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that Russia's economic and military weaknesses limit its opportunity to influence decisions in Northeast Asia. Thus Russia faces the long-term challenge of managing relations with China, Japan, and the two Koreas from a position of relative isolation.

#### **Russia and Korean Reunification**

Russia publicly supports Korean reunification, though not without some private concerns. Compared with China, however, which many Russians believe it to be desirous of keeping Korea divided because a unified Korea might lead to a stronger American presence in the region, or with Japan, which is concerned about traditional anti-Japanese sentiment among Koreans, Moscow does not have much to lose. Russia sees the following positive aspects of Korean unification:

1) The disappearance of a potential threat near the Russian border; 2) a reduction in the size of the two large Korean armies and the possible withdrawal of American troops from a strategically important Far East region; 3) the end of Moscow's diplomatic maneuvering between Pyongyang and Seoul, which has not brought many benefits to Russia; 4) the creation of more opportunities to solve regional security problems in cooperation with a unified Korea, including nuclear security, ecological security, terrorism, and illegal migration; and 5) the opportunity to develop economic cooperation with a large Korean economy.<sup>80</sup>

According to a senior Russian Korea expert, "Russia can accept any scenarios and formulas for Korean unification, provided they rule out foreign intervention and any forms of violence or the use of force, satisfy the people of the North and South, and are based on a democratic, evolutionary, negotiating process that is respectful of national and universal human values."<sup>81</sup> Although Moscow agrees that the truce agreement signed in 1953 after the Korean War has become obsolete, it

insists that efforts to replace it with another treaty should not be rushed. At present, according to Russian analysts, the 1953 agreement is the only internationally recognized document that insures peace on the Korean peninsula. Russia prefers South Korea's approach, whereby a Korean peace treaty would be based on a bilateral agreement between the South and the North, to North Korea's suggestion that it be signed by North Korea and the US. Moscow wants to prevent any growth of US influence on the peninsula.<sup>82</sup>

Simply put, Russia wants to exert influence over the process of Korean unification that it does not have. Nonetheless, it is attempting to exert as much influence over the process as it can. Last July, President Putin became the first Russian leader to visit Pyongyang in more than a decade.<sup>83</sup> Russia has been using military sales to both North and South Korea as a method to insert itself into the normalization process. Seoul is considering the purchase of over \$500 million in Russian weapons,<sup>84</sup> while Pyongyang concluded a purchase of \$425 million in Aug 2001.<sup>85</sup>

#### **North Korea**

North Korea is concerned with regime survival above all else. Given its non-functioning economy, it has had no choice but turn outward in search of economic support. Despite its "Juche" ideology, North Korea is not at all self-sufficient. In 2001 there were more than 150 foreign food aid administrators living in Pyongyang, monitoring food distribution in 163 of the country's 210 counties."<sup>86</sup> Through economic necessity, North Korea has been opening itself more and more to the international community.

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The North Korean government has made clear that it wishes to join and benefit from several international financial institutions, including the World Bank, the IMF and the Asian Development Bank (ADB).<sup>87</sup> The heads of the IMF and the World Bank have agreed to make a survey of North Korea's broken economy.<sup>88</sup> Although supported by South Korea, Pyongyang's bid to join the ADB has been strongly opposed by both the United States and Japan, the bank's two largest investors, who object on the basis that North Korea sponsors terrorism.<sup>89</sup>

There have been other signs North Korea has been trying to shed its pariah status and join the international community. Pyongyang has normalized relations with 12 out of 15 of the European Union Nations in the past year, with the likelihood of two of the remaining three to normalize relations in the near future.<sup>90</sup>

North Korea's stance on the future of American soldiers on the peninsula is uncertain. Kim Jong Il purportedly agreed to continued American military presence on the peninsula during the reconciliation process. In the wake of the July 2000 summit, Kim Jong Il stated he would "welcome" the continued presence of American soldiers on the peninsula in order to ensure stability.<sup>91</sup> Kim Jong Il is reported to have made this statement privately to Kim Dae Jung during the June summit. However, Kim Jong Il has never confirmed these sentiments in public.

In fact this statement has since been directly contradicted. In the Joint Declaration issued by Pyongyang and Moscow at the conclusion of Kim Jong Il's visit in Aug 2001, Kim Jong Il stated "the withdrawal of American troops from Korea will endure no



delay.”<sup>92</sup> South Korean officials responded by asserting this statement was primarily for “domestic consumption.”<sup>93</sup>

Despite these positive steps there is still reason to ponder the true meaning behind them. According to intelligence sources, North Korea has actually strengthened its military posture on the DMZ during the same time frame. “Over the past year, U.S. and South Korean military officials say they have observed a substantial build up in North Korea’s offensive firepower near the 38<sup>th</sup> parallel.”<sup>94</sup> Whether this has occurred for offensive or defensive reasons has remained open to interpretation. General Schwartz, the Commander of USFK, recently testified before Congress, “When I look North, I can see an enemy that’s bigger, better, closer and deadlier, and I can prove it.”<sup>95</sup>

Whatever the interpretation of DPRK motives, the primary requirement for the Pyongyang government is the assurance of its survival. Kim Jong Il has shown a willingness to push to the brink of war, as during the nuclear crisis of 1994. He has accepted the starvation of millions of his own citizens. North Korea will not engage in any dialogue that jeopardizes the regime’s existence.

### **South Korea**

South Korea has effectively taken the lead on reunification with its “Sunshine Policy.” Through the initiatives of President Kim Dae Jung, real forward progress has been made. Despite this, the South Korean government has not given into euphoria and remains cautious regarding the nature and intentions of the regime to the North.

Regarding reunification, South Korea has adopted a go-slow strategy, estimating reunification is still decades away. This strategy is based in large part on economic calculations regarding

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the cost of reunification.<sup>96</sup> In 1990 the estimated cost of reunification was \$319 billion. By 1995 the figure had risen to \$754 billion and is currently estimated at more than \$1.7 trillion.<sup>97</sup> South Korea studied the process of German reunification quite closely and came to the conclusion that for Korea, sudden economic integration would be a disaster.

As economically painful as the process of reunification was for Germany, it would be even more so for Korea. There are key differences between Germany and Korea. South Korea does not have West Germany's economic strength. The ratio of East Germans to West Germans was one to three, while the ratio of North Koreans to South Koreans is one to two. The per capita income ratio between East German and West Germany at reunification was one to four; the ratio between North Korea and South Korea is now one to seven<sup>98</sup> and in one study was expected to reach one to twelve by the end of 2001.<sup>99</sup> Although economic calculations of the cost of reunification differ, they tend to agree on two things: first, it will be quite expensive, and second, the costs rise over time. Thus, it is easy to understand the ROK's preference for a calculated, decades-long process of reunification. Hopefully, it would allow the South the opportunity to revitalize the North's economy and mitigate the economic repercussions that reunification would inevitably have on South Korea.

Military concerns remain paramount for the South Korean government. Not all South Koreans agree with the President Kim Dae Jung's engagement policy. Critics charge that inter-Korean cooperation is a one-sided process and that South Korea is doing all of the giving and getting nothing in return.<sup>100</sup> The ROK remains particularly worried about KPA conventional war-

fighting capabilities and non-nuclear deterrents, namely the long-range artillery, tactical missiles and chemical warfare capabilities.<sup>101</sup>

The *2000 Defense White Paper*, published by the ROK ministry of Defense explains South Korea's national defense policy as follows:

the ROK government will maintain a firm security posture. . . . It is prepared to respond strongly to the North's armed provocation. . . . Further, the ROK must establish a firm security posture, which will deter the North's armed invasion and stimulate reconciliation and cooperation between the two countries.<sup>102</sup>

The above passage shows that although South Korea remains hopeful that reunification will occur peacefully, it remains vigilant and prepares for other alternatives.

South Korea recognizes the process of reunification, even if achieved under its own preferred conditions, will be a long process fraught with both economic and military dangers. In order to ensure the ROK continues to pursue normalization of relations, these vulnerabilities need to be mitigated.

First, the ROK must not feel as though its defensive capabilities are being in any way degraded as a result of the normalization process. The United States needs to ensure that its military commitment to defend South Korea remains unambiguous. The second major challenge faced by South Korea is economic. As previously discussed, the cost of reunification will be astronomical. South Korea will be overwhelmed if it has to bear this burden alone. The United States and Korea need to take a multilateral approach to aid and infrastructure reconstruction that allows all of the regional players the opportunity for involvement. Liberal use should be made of

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international financial institutions such as the IMF and the ADB. Current estimates are that successful reunification will ultimately result in a Korea that is one of the ten strongest economies in the world.<sup>103</sup>

### **Current US Perspectives**

The United States military presence in Northeast Asia has long made important practical and symbolic contributions to regional security. US forces stationed in Japan and Korea, as well as those rotated throughout the region, promote security and stability, deter conflict, give substance to American security commitments, and ensure the continued access of other US forces to the region.<sup>104</sup>

The United States' National Security Strategy described American involvement in Northeast Asia as follows:

The US-Japan security alliance anchors the U.S. presence in the Asia Pacific region. Our continuing security role is further reinforced by our bilateral treaty alliances with the Republic of Korea, Australia, Thailand, and the Philippines.<sup>105</sup>

The strategy further characterized its commitment to South Korea and Japan as a “vital interest,” meaning that American alliances in Northeast Asia are of “overriding importance to the survival, safety, and vitality of our nation.”<sup>106</sup> The protection of these interests could include the use of unilateral and decisive military force if necessary.<sup>107</sup>

The accompanying United States National Military Strategy articulated a similar policy. It considered North Korea a “regional danger.” It described the DPRK as a state whose intentions are hostile to those of the United States and its allies and whose capabilities make it a threat to our allies and American citizens alike.<sup>108</sup> Despite the movement towards normalization of relations

between the two Koreas, American policy has not changed. The United States remains committed to the defense of South Korea, as it has since it signed the Republic of Korea-United States Mutual Security Agreement of 1954. By signing this agreement, both the United States and South Korea agreed to defend the other if attacked. The DMZ is administered by the United States as directed by the 1953 UN Armistice agreement, Article 1.

Although the Clinton administration never officially adopted the “Sunshine Policy” as its own, it did support President Kim Dae Jung’s initiatives. The 1994 “Agreed Framework” put a freeze on North Korea’s nuclear program. The Clinton administration also attempted to negotiate a freeze on North Korea’s ballistic missile program, “but the agreement wasn’t completed because the United States couldn’t work out detailed procedures to verify North Korean compliance.”<sup>109</sup>

The Bush administration formed its policy towards North Korea slowly with both Koreas looking on, anxious over the outcome. It was generally perceived by all involved that the Republican administration would take a harder line towards North Korea than its Democratic predecessor had.

During the first several months of the administration this was very true. The new government focused more on “reciprocity” than the Clinton administration, looking for concrete changes in the North Korean regime before continuing a policy of engagement.

After a lengthy policy review, the Bush administration revalidated the status quo, continuing to support the “Sunshine Policy,” the Agreed Framework, and the Trilateral Coordination and Oversight Group.<sup>110</sup>

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The main difference in approach [from the Clinton administration] was the U.S. desire for a more comprehensive dialogue. This is quite understandable, given that one of the primary complaints logged against the Clinton administration in its dealings with Pyongyang (by many South Koreans and Americans regardless of political affiliation) was that it seemed to approach the Peninsula as a non-proliferation problem rather than as a regional security problem with an important proliferation dimension.<sup>111</sup>

Another important difference in the Bush administrations' approach to the peninsula is that it is intertwined with the administration's position on theater missile defense. South Korea is lukewarm on the idea, primarily because TMD does nothing to shield South Korea from Northern artillery, which constitutes the main threat to Seoul. In a poll conducted in South Korea, 55% of Koreans believed that deployment of missile defense would "have an adverse effect on the peninsula."<sup>112</sup> The administration's pursuit of missile defense has also complicated diplomatic relations with Russia and China. The full impact of these changes, for better or worse, remains to be seen.

#### **POSSIBLE ROLES FOR THE US MILITARY IN PROMOTING NOR**

Although normalization of relations between the two Koreas will be a lengthy process with reunification still decades away, the United States should begin planning for the changes that will occur on the peninsula. Even under the best conditions, the process will be difficult and destabilizing. Both regimes are going to have to determine together what path the process of North Korean reconstruction should take and who should be involved. There are three options for reconstruction. First, the two Koreas could decide to manage the process alone forgoing any outside assistance. Alternatively, they could use the US-ROK alliance as

a basis, or finally, they could invite in a multinational commission to assist.<sup>113</sup>

It is doubtful the Seoul and Pyongyang would choose to manage the process of reunification alone. The economic costs and manpower requirements would simply be overwhelming. This leaves either the option of a US led task force based on the ROK-US alliance or a multinational one. Regardless which one of these options the Korean governments ultimately choose, the United States would most likely take a leading role. American military presence already on the ground in conjunction with the ROK-US Alliance makes the use of US personnel a foregone conclusion. USFK provides an existing framework for command and control of the process. The American military is uniquely positioned to provide security and assistance to both Koreas as they undergo the normalization and reunification process.

Although the United States has been primarily concerned with North Korea's WMD program, conventional demilitarization must be dealt with as well. The two Koreas have been locked in an arms race for more than fifty years. Currently 70% of the Korean People's Army remains forward deployed.<sup>114</sup> In order for reunification to take place, the DMZ will have to be drawn down. This will require a level of trust not yet seen between the two Koreas. US forces, probably in conjunction with multinational observers, can play a key role in fostering that trust by providing independent oversight and verification of the demilitarization process.

The issue of trust extends beyond the substantial military capabilities of both states. Unlike Germany, Korea did fight a fratricidal war that remains in living memory. As a result, the

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North may fear retribution from the South for the Korean War. Using US forces as neutral observers during the early phases of normalization could go far to allay this fear.

The cost of reconciliation is also a significant concern to both states. The legacy of fifty years of bad economic decision making in North Korea is going to impact the peninsula for at least a generation after reunification has occurred.<sup>115</sup> To begin, neither Korea will be able to maintain its current level of military expenditures during the process of reunification. Demobilization on both sides of the DMZ is necessary not only to build trust and confidence, but also to divert resources into the reconstruction of the shattered North Korean economy. The cost of maintaining a constant war footing on the peninsula is staggering. The North Korean government currently spends between 25% and 33% of its GNP on defense.<sup>116</sup> This translates into five to seven billion dollars each year. Although South Korea's military spending is a much smaller percentage of GNP (around 5%), it still approaches ten billion dollars annually and accounts for nearly 30% of the government's annual budget.<sup>117</sup> A substantial draw down will provide the initial capital necessary to begin the reconstruction process, although international aid will certainly also be required.

During the normalization process, Korea will be required to manage internal and external threats to its security. The US military can help with both. The United States can play the role as the international balancer in the region to prevent any neighboring powers from becoming too adventurous. American forces can also provide humanitarian assistance and reconstruction support to North Korea during the first phases of NOR. Combat forces can be used to deter any outside power from taking



advantage of Korea's weakened position, while logistics, medical and engineer troops can support the reunification process itself.<sup>118</sup>

During the initial stages of reconciliation, the DPRK is going to resemble a country hit by a natural disaster. The North Korean people are going to be in need of food, temporary shelter, medical attention, communications capabilities and engineer support. The American military has tremendous experience with humanitarian relief operations. USFK could provide initial command and control for these missions.

The United States military is in a position to establish the framework for long-term reconstruction of the North. The DPRK does not have a civil society that will understand the requirements for reform. US armed forces can provide civil affairs units to assist with the task of nation building in North Korea.

These units are comprised of soldiers with unique skills and experience in all areas of government. They provide a capability for emergency coordination and administration where civilian political economic structures have been incapacitated. They can also assist commanders at all levels of civilian military planning. . . . In short, civil affairs units would be indispensable in the reconstruction of Korea.<sup>119</sup>

Although the United States military can be effectively used to begin the process of reconstructing North Korea, it should not keep this mission for long. After the border between the Koreas has been opened and the United States has laid the groundwork for reconstruction, civilian contractors should take over the process of reconstruction. The long-term focus of the American military should be guarding against outside challenges to Korean security.

The United States can also provide forces to train the new Korean military. The job of incorporating the North and South Korean militaries will not be a simple one. Using American

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Special Forces to help train and integrate the Korean military will strengthen the US-Korean alliance post reunification. If the United States military takes an active role to help increase transparency and build confidence between the two Koreas, it is much more likely that American forces will be invited to remain on the peninsula in the long term. Continuing the ROK-US Alliance beyond NOR and into reunification could provide substantial benefits to both states. The extension of American security guarantees for Korea will allow the emerging state to focus on its internal development free from unwanted outside influence.

Additionally, US military presence in a reunifying Korea could remove the temptation of nuclear proliferation on the peninsula. China is a nuclear power, and Japan is looked upon by the Koreans as a “quasi-nuclear” one.<sup>120</sup> A reunified Korea will have genuine security concerns, and its historical experience may induce it to take the nuclear option unless other security guarantees convince Koreans otherwise. China and Russia once exercised dominant influence on the Korean peninsula. Japan colonized Korea for thirty-five years in this century. The United States has provided security guarantees for South Korea for the past half-century. Without a strong US presence and continued willingness to underwrite a unified Korea's security, there is a definite possibility—or so many Koreans believe—that China, Russia, and Japan would again become assertive on the peninsula.<sup>121</sup> To protect itself, a unified Korea might well combine the nuclear and missile assets and the conventional forces of North and South, thereafter gradually seeking force reductions

while providing for military personnel stability and force-structure efficiencies.<sup>122</sup>

By now, most are familiar with North Korean efforts to acquire nuclear weapons. South Korea's story is much less commonly known. During the 1960's South Korea decided to develop its own nuclear deterrent based on eroding confidence in US security guarantees. For several years, this program went completely unnoticed by the United States. When the US learned of these efforts in 1974, it threatened suspension of all trade, as well as immediate troop withdrawal from the peninsula.<sup>123</sup> These threats effectively ended the ROK's quest for an independent nuclear deterrent.

The attempt to develop nuclear weapons was based wholly on a sense of insecurity and flagging confidence in American promises. If a reunited Korea were to once again feel insecure, it is not inconceivable it would turn to nuclear weapons.

To forestall such action, the United States can use its influence to "leverage" a unified Korea away from the nuclear option and toward the continuation of a robust US-Korea bilateral security pact, which would entail continued stationing of some American forces on the peninsula. The United States would also need to encourage a unified Korea to sign bilateral security agreements with the other regional powers.<sup>124</sup>

Another option would be to add to such bilateral arrangements a regional collective security regime that could provide a security guarantee similar to that which a reunified Germany enjoys in NATO. Of course, a Northeast Asian equivalent of NATO does not exist and could not be created overnight. However, "there already exist several forums for multilateral cooperation, such as

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the ASEAN Regional Forum (ARF), the Northeast Asia Cooperation Dialogue (NEACD), and the Council for Security Cooperation in Asia Pacific (CSCAP)."<sup>125</sup> These organizations arrive at non-binding consensus about matters of common interests and objectives like cooperative security.

A combination of bilateral commitments with other regional actors, a multilateral confidence-building forum for security matters, and continued US interest could alleviate the concerns that might otherwise push a unified Korea to consider the nuclear option.

Nuclear proliferation in Northeast Asia is not the only potential consequence if the United States does not maintain a strong presence in a reunified Korea. Another potential problem is the resurgence of nationalism. Animoshities in East Asia, unlike those in Western Europe, did not wither away during the Cold War. When the former Soviet Union was the enemy, most East Asian states, eventually including China, clustered around America for protection. "East Asia's two natural rivals, China and Japan, managed to curb their hostility, but never resolved it."<sup>126</sup> The new potential for a reunified Korea has rekindled concerns about historical animoshities in the region. If the United States does not remain engaged in the region and provide encouragement for dialogue between Korea and Japan, the possibility for resurgent anti-Japanese nationalism is great. In this case, the Korean government may decide that it is better to lean towards China and away from the United States and Japan.<sup>127</sup> Unambiguous American commitment to the security of Korea is necessary to eliminate this potential.

The actual process of Korean reunification is murky at best. Although scholars and strategic planners blithely state, “Assuming Korean Reunification, we will do the following,” a tremendous number of unknowns remain. The United States military presence during this process will reduce the risks of miscalculation and help to ease the transition process regardless of what form it actually takes.

Nonviolent reunification is not the only possible alternative. Although not the most likely scenario, the possibility of a second Korean War remains either occurring as a result of miscalculation or desperation on the part of North Korea. The continued US military presence on the peninsula will provide a clear signal to the DPRK that there is no benefit to open conflict and no viable alternative to engagement.

#### **STRATEGIC IMPLICATIONS OF NORMALIZATION OF RELATIONS**

Nothing is clear about the actual process by which the two Koreas will reunify. Most of the literature surrounding the issue suggests three scenarios, reunification through violence, reunification through the collapse of North Korea and reunification through negotiated settlement.<sup>128</sup> The best strategy is to prepare for the first two scenarios while working to encourage peaceful settlement.

Despite great hope for reunification through negotiation, major obstacles remain. By all indicators North Korea is a failed state whose days are numbered. The economic conditions in the DPRK and the mass starvation lead to the inescapable conclusion that a fundamental system change is required. This leaves the North Korean regime in a catch twenty-two. The DPRK has no option but to reform, but fears that reform will tear the regime

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apart.<sup>129</sup> The issue then is how to proceed with the reconciliation process in as slow and non-threatening a manner as possible. Economic carrots will go further to precipitate change than sticks. Encouraging Kim Jong Il to change is definitely no small task, but there is no alternative. Kim Jong-Il must see that the best way to ensure his own survival is through reconciliation with the South.

Therefore, in order for a reconciliation to occur in the near term, it must happen without the fundamental transformation of either state, at least initially. Although this seems impossible, an option does exist. A possible resolution to the dilemma could be a loosely federated but unified Korea that resembles the Chinese “One State, Two Systems” model currently in effect for Hong Kong and China. This would allow both governments to maintain their respective systems while still being recognized internationally as a single state.

During the initial phases of reconciliation, the border between the two Koreas would remain closed. This would forestall a potential refugee crisis and allow both governments the opportunity to strengthen economic ties without weakening either political system. The logic of this approach is simply to create economic interdependence. As North Korea becomes more interdependent with the South Korean economy, outside influence and ideas will inevitably enter the North. Any substantive economic development in the North will require more openness. This openness could eventually lead to the rise of an opposition and then to the demise of the Kim regime.

This is no doubt a long-term plan. However, it is one that is beneficial to the ROK as well. Allowing economic development to occur over time in North Korea will decrease the financial

burden on the South that would no doubt be incurred if were to inherit a defunct economy and a starving populace.

During the summit meeting of June 15, 2000, leaders of both North and South Korea agreed they needed to reach an independent resolution on reunification. In the view of some Korea-watchers, there has been a distinct “Koreanization” of the issue,<sup>130</sup> i.e., the two governments are increasingly interested in achieving reunification without the interference of foreign powers. This Koreanization may facilitate the formation of a loose federation.<sup>131</sup>

Federation is not a revolutionary idea. Both North and South Korea have proposed it as an interim step to reunification. The DPRK has promoted this idea in the form of the Democratic Confederative Republic of Koryo. Under this plan, both Koreas maintain their respective governments while creating a unified national government.

As it is known, the DPRK has advanced the idea of the creation of the North-South Confederation in the form of the Democratic Confederative Republic Koryo. The idea allows preservation of the two existing social political systems. At the same time a unified national government will be formed with equal participation of the DPRK and ROK representatives. Under the leadership of the unified national government the North and South will practice self-government.<sup>132</sup>

South Korea has also proposed confederation. In 1989, the ROK proposed the “Korean Commonwealth” which would operate through a common Council of Ministers from the two Koreas. The goal of this confederation was to work out the issues of divided families and to draft a constitution for a reunified Korean state.<sup>133</sup> Although these two proposals differ in their

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intent and scope, there may be room to compromise on a confederation agreeable to both sides.

Several circumstances could lead both governments to look favorably on federation. The North Korean economy is non-functional.<sup>134</sup> The South Korean government shrinks from reunification in the near term because of the expense of rebuilding the North after reunification. Unfortunately, the cost of reunification increases the longer it is delayed. In 1990 the estimated cost of reunification was \$319 billion. By 1995 the figure had risen to \$754 billion and is currently estimated at more than \$1.7 trillion.<sup>135</sup> Given North Korea's desperate economic situation and South Korea's reluctance to take on overwhelming debt, a loose federation that provides potential economic benefits for the two governments without bankrupting the South may offer a satisfactory compromise.

In several instances the South has already succeeded in helping the North expand its economy. During the 1990s South Korea's trade with the North doubled to more than \$330 million. The South Korean government has pledged to help the DPRK rebuild its now-defunct infrastructure.<sup>136</sup> Although these projects do not indicate a desire for wholesale economic reform on the part of the North Korean government, they could provide revenue in amounts that would encourage the DPRK to seek other opportunities.

Despite this positive news, North Korea remains dependent upon foreign assistance. By entering a federation, it could increase the amount of aid received from South Korea and continue slowly to expand its economy. Some form of federation might also reduce North Korea's current reputation as a pariah in the international community, making the DPRK eligible for a variety of international economic packages, including war



reparations from Japan. When South Korea normalized relations with Japan in 1965, it received an immediate reparations and assistance package of \$800 million.<sup>137</sup>

If a federated Korea and Japan were to normalize relations, it could mean a windfall of several billion dollars for the North. In short, North Korea has substantial incentives to engage Japan and the rest of the international community, and it will be easier to do so, while maintaining internal political control, if it is federated with the South.

Redirecting funding from defense spending to economic restructuring could benefit South Korea substantially. A recent economic study concluded a reduction in defense spending would boost South Korean exports, as well as spur investment thus strengthening the ROK economy. In other words, South Korea could experience a “Peace Dividend.”<sup>138</sup> Federation would increase South Korea’s security by ending the state of war that has persisted on the peninsula for the past fifty years, while forestalling the economic disaster that would almost certainly accompany reunification through North Korea’s collapse and absorption.

This, then, is the logic of a negotiated settlement resulting in a loose federation. South Korea could provide enough aid to prevent North Korea’s collapse and enhance the latter’s image in the international community. Federation could also reduce the costs of security for both sides, enabling the North to concentrate on basic development and the South to reclaim its economic prowess.

During this process, the United States should provide assistance to Korea on its internal security issues. The United States presence would also serve to discourage unwanted

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overtures from other states in the region, while helping to coordinate welcome aid from other Northeast Asian states.

A second alternative scenario to be considered is the collapse of North Korea and its absorption by the South. Although no one involved in the process wants this outcome, it must nonetheless be considered. Kim Jong Il could simply refuse to engage or continue the process of reconciliation. It is also possible that the North Korean economy is just too far-gone to recover at this point. As intractable as Kim Jong Il is there is no alternative to dealing with him. There is no one in the North Korean government capable of taking charge.<sup>139</sup> If Kim Jong Il were to suddenly lose power, the result would be chaos. Given the desperate economic situation and the lack of alternatives to the current government, the collapse of North Korea must be considered as a potential scenario despite the fact it is not anyone's desired result.

The role of the United States military under these conditions would be enormous. The collapse of the North Korean regime could come with associated violence, or it the regime could simply dissolve, leaving the state in a vacuum. Under either scenario, the US military would be required to stabilize the situation in North Korea and to begin the process of economic transformation of the DPRK.

The third scenario to consider is that of reunification through violence. Although one could argue that no rational North Korean leader would start a war he knows he could not win, the possibility of miscalculation remains. If Korea were reunified under this scenario, the effects on the peninsula and Northeast Asia as a whole would be devastating. The US-ROK alliance would win, but it would no doubt be an enormously expensive

victory. If another Korean war were to start, North Korea has enough artillery to “sustain a barrage of 500,000 rounds per hour for several hours.”<sup>140</sup> Beyond the conventional threat, North Korea is estimated to have 5,000 metric tons of nerve agent stored along the DMZ, in addition to its stockpiles of blood, blister and choking agents.<sup>141</sup> With these capabilities at their disposal, a second Korean War would devastate the peninsula for decades.

Under this scenario, the United States military would perform the mission it has trained for in Korea since the armistice was signed. After assisting the ROK Army in winning the war, it is likely that United States military would then begin the process of helping rebuild both sides of the war-torn DMZ. Given the horrific nature of this scenario, it is in everyone’s best interest to maintain an open dialogue with the DPRK to reduce the possibility of miscalculation and needless violence.

A final alternative to consider is Korea becoming two reconciled states. It is possible that North and South Korea could simply “agree to disagree” on ideology and regime type and coexist peacefully. There would be normalization of relations between the two Koreas but with no movement towards reunification. If this scenario were to occur, a likely outcome would be a Formal Peace Treaty officially ending the Korean War.

The normalization of relations between two Koreas and the end of the Korean War could weaken the logic of stationing American combat forces on the DMZ and would require a restructuring of the American military presence in South Korea. It is likely that American troops remaining on the peninsula would be reconfigured as a regional force. With the signing of the formal peace treaty, the rationale for the United Nations’

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Command comes into question. North Korea has actively sought to dismantle the UNC for years; there is little reason to believe that their rationale would change.<sup>142</sup> Given this, a reconciliation of two independent Koreas would require a redefinition of the ROK–US Alliance and the role of the American military within it.

From a regional perspective, this scenario, if it were to occur, would be seen as a positive development by the Chinese government. One of China's major concerns is the potential loss of a buffer state between Chinese and US forces. Two reconciled Koreas would negate this concern.

Although this scenario is possible, it is unlikely. Discussions of Korean reunification invariably center on when and how, never on if. Both Koreas believe that reunification of the peninsula should and will occur. It is the form that reunification will take that they disagree on. For these reasons, this scenario will not be discussed in further detail.

### **POTENTIAL ROLES AND MISSIONS FOR US FORCES IN A REUNIFIED KOREA**

Although there are still myriad variables surrounding the timeline and process of Korean reunification, it is not premature to begin considering what shape the American military presence should take in a confederated or reunified Korea. There are fundamental questions to address: Should the United States military remain in Korea after normalization of relations? After reunification? If so, how should the military command for the region be structured? It is time to begin considering these questions so that when changes occur on the Korean peninsula, the issues are understood and alternatives have been explored.

Even without the North Korean menace there are many reasons for American forces to remain in Northeast Asia,

chief among them to help foster better ROK-Japan relations, maintain strong mil to mil ties with important allies, keep an eye on China and Russia, and to ensure that American officers gain first hand experience in Asia.<sup>143</sup>

The United States military will no doubt have to reduce its footprint in a reunified Korea. Land is at a premium, and there are already issues in South Korea concerning US land requirements for basing and training areas. Without a clear North Korean threat it is extremely unlikely that Korean public opinion will allow the American military to have the amount of acreage it currently enjoys.

However, negotiations should center more on strategy rather than simple acreage. A reduced footprint does not mean that American soldiers will have to leave the peninsula, rather that they should be reoriented to handle a broader range of strategic regional missions. These could potentially include such things as humanitarian intervention, peacekeeping and peacemaking operations, as well as mil-to-mil contacts and counter-terrorism operations.<sup>144</sup> American military forces will need to shift their efforts from the defense of South Korea to power projection in Asia. Given this, it makes sense that in the absence of a North Korean threat to consider moving American soldiers away from the DMZ and closer to major airfields, such as the one at Osan Air Force base.

Although a reunified Korea could initially have reservations about allowing a United States regional response force to be based on the peninsula, it is not an impossible idea. “In a recent opinion poll, 82.1% of South Korean respondents agreed that one of the objectives of the US-ROK alliance was to maintain security in North East Asia.”<sup>145</sup>

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Korea's positive consideration of this idea could also be tied to its continued concerns about its place in Northeast Asia. In the words of a retired Korean four-star General, "Korea was the bridge connecting Russia, China and Japan. The Korean peninsula has been a historic avenue of approach. It will remain necessary to keep the bridge safe from both sides. Maintaining an alliance with the United States is the best solution for that problem."<sup>146</sup> There is logic then for a unified Korea to support continued American military presence in a regional response role.

There is even precedent for Korean participation in this regional force. Although it may appear odd at first, the involvement of Korean soldiers in off-peninsula missions is not unheard of.

Korean forces could be used for extra peninsular missions as well, if Korea so decided, in the way that South Korean forces were sent to Vietnam to fight alongside US Forces in the Vietnam War. Although it may not be desirable that Korean forces engage in combat missions overseas, it would certainly be possible to join in non-combat missions.<sup>147</sup>

Additionally, Korean participation in a regional response force could enhance Korea's place in Asia. Allowing Korean forces to participate in off-peninsula contingencies would allow Korea to move from a position of dependence on the United States to one of a more equal partnership.<sup>148</sup>

Changing the structure of the US-Korean alliance in the wake of reunification will be necessary in any case. Reorienting it to focus on regional stability could also have a positive impact on the future of the US-Japan alliance. If the American military is required to leave Korea in the wake of reunification, it will call into question the rationale for American Forces in Japan (USFJ).

Restructuring USFK to become a regional response force could allow for a simultaneous reorientation of USFJ to focus on regional stability as well. Maintaining a presence in Asia after Korean reunification should be the result of a three-way agreement between Korea, Japan and the United States.<sup>149</sup>

The future of American military forces in Northeast Asia is part of a larger question. After his election, President Bush ordered his Defense Secretary, Donald Rumsfeld, to conduct an array of studies on the US Armed Forces to “create a new vision of the American military; looking at everything from missile defense and global strategy to the flaws of a Truman vintage personnel system.”<sup>150</sup>

The Quadrennial Defense Review Report (QDR), published in September 2001, provides some insight into the Department of Defense’s current thinking on Northeast Asia. The QDR states, “DOD’s new planning construct calls for maintaining *regionally tailored forces* forward and deployed in Europe, Northeast Asia, ... to assure allies and friends.”<sup>151</sup> Clearly the United States intends to maintain a forward presence in Asia.

However, it is doubtful that presence will maintain its current configuration over the long term, regardless of the future course of inter-Korean relations. The QDR also states that “the new US global military posture will be reoriented to: Develop a basing system that provides greater flexibility ... placing emphasis on additional bases and stations beyond Western Europe and Northeast Asia.”<sup>152</sup> This vision points towards a smaller footprint on the Korean peninsula, capable of being rapidly reinforced as necessary. The timeline for this change is has not been laid out;

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however, it is probable this change will occur within the next decade.

Presently, bi-lateral security arrangements characterize the Northeast Asian security landscape. In the wake of Korean reunification, a multilateral approach to security will be required. Although this represents a new approach to security issues in the region, multilateralism is not completely unprecedented. Organizations such as ASEAN and the Asian Regional Forum, which just admitted North Korea into its ranks, illustrate some potential for cooperative problem solving in Northeast Asia.

The reunification of Korea will usher in a new order in the region, which will have not only military but also far-reaching political and economic implications. All the regional players will be affected. A best-case scenario would envision greater trade, economic integration, and open and stable diplomatic relations. This can only occur if China, Japan, and Korea avoid renewed military competition, including a nuclear arms race. For the past fifty years, the United States has been the guarantor of stability for the peninsula and for the region. Korean reunification necessitates that the US reaffirm rather than abandon this role.

The collapse of the Soviet Union and the ensuing German reunification took the world by surprise. In the Korean case, there is time to consider the implications of reunification and plan for its arrival. But such study and planning must begin now.

### **CONCLUSION**

In the wake of the September 11 terrorist attacks upon the United States, it is easy to put all else aside and concentrate on what has obviously become America's number one priority, the War on



Terrorism. No one should argue this should not be our current priority.

However, we must guard against ignoring all else. The United States has made a tremendous investment in Northeast Asia, both in monetary terms and in human ones. The United States should continue to engage on several fronts to see its investment materialize fully. First, the US must maintain the presence of American forces in Northeast Asia. Second, it must support South Korea and its Sunshine Policy. Finally, America must continue to promote dialogue and free trade among the major powers in the region.

People say the world changed on September 11, 2001. This seems incontrovertible. The events were so universally appalling that all states, with the exception of Iraq, came forward to express condolences and condemn the horrific loss of life. As President George W. Bush said, "Through my tears, I see opportunity."<sup>153</sup> Perhaps this new unity of opinion can provide a starting point for greater cooperation in the region.

Unsurprisingly, South Korea and Japan have stepped up as staunch allies in the coalition against terrorism. China also condemned the attacks and voted with the United Nations Security Council "to take the necessary steps to prevent the commission of terrorist acts,"<sup>154</sup> and to cooperate more fully in intelligence sharing to prevent further attacks from occurring.<sup>155</sup> Perhaps this common ground is an opportunity to open doors to greater cooperation among the powers in Northeast Asia.

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